



HOUSE OF REPRESENTATIVES

SB 1537/HB 2706

budget reconciliation; higher education; 2016-2017

Prime Sponsor: Representative Montenegro, LD 13/Senator Biggs, LD12

DPA Committee on Appropriations

DPA Caucus and COW

X As Transmitted to the Governor

OVERVIEW

HB 2706 makes statutory and session law changes related to higher education and the implementation of the Fiscal Year (FY) 2017 state budget.

PROVISIONS

1. Requires the amount of tuition and fees included in the operating budget for each university to be deposited in a separate subaccount for each university rather than deposited with the State Treasurer, subject to legislative appropriation.
 - a. Contains an effective date of July 1, 2018.

Currently registration fees and other revenues are included in the operating budget.

2. Requires all other tuition and fee revenue to be retained in a separate local tuition and fees subaccount for each university.
 - a. Requires the subaccount to consist of only tuition and fees.

3. Outlines a General Fund (GF) appropriation schedule for lease-purchase capital financing for research infrastructure projects for all three public universities for FY 2017-2031.

Current law annually appropriates \$14,472,000 to Arizona State University, \$14,253,000 to the University of Arizona and \$5,900,000 to Northern Arizona University for lease-purchase capital financing for research infrastructure projects until FY 2031.

4. Increases GF appropriation reductions to Arizona State University for FY 2017 from \$2,329,800 to \$3,281,700 for lease-purchase capital financing for research infrastructure projects.

- a. Contains a retroactive effective date of June 30, 2016.

5. Suspends the requirement that the Legislature provide 2:1 match for every dollar of student registration fees deposited into the Arizona Financial Aid Trust Fund.

This provision has been suspended since FY 2009.

6. Stipulates that FY 2017 state aid for community college science, technology, engineering and mathematics and workforce programs is as specified in the General Appropriations Act.

7. Makes technical and conforming changes.